MAR 6 1979

FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

MAR 2 1979

H. Stuart Cunningham, Clerk United States District Court

THE MAGNAVOX COMPANY, a Corporation, and SANDERS ASSOCIATES, INC., a Corporation,

Plaintiffs,

v.

Civil Action No. 78 C 5041

FAIRCHILD CAMERA AND INSTRUMENT CORPORATION, a Corporation, MONTGOMERY WARD & CO., INCORPORATED, a Corporation, and SEARS, ROEBUCK AND CO., a Corporation,

Defendants.

PLAINTIFFS' MEMORANDUM IN OPPOSITION TO MOTION TO SEVER SEARS

Fairchild moves to sever only Sears from this action, thus admitting that it and Montgomery Ward are properly joined since Wards sells television games manufactured by Fairchild. Fairchild omits one key fact. Sears and Wards sell the same television games although those games are not the one manufactured by Fairchild; they sell identical accused products which come from the same source and are thus properly joined together in this action. Severance of Sears is not appropriate.

The Defendants

Defendant Fairchild manufactures and sells a television game alleged to infringe the patent in suit under the name "Channel F". Montgomery Ward sells that game at retail. As appears from the attached affidavit of James T. Williams, one of plaintiffs' attorneys, Wards sells television games supplied by APF Electronics, Inc., Sears sells television games obtained from APF Electronics, Inc., which games are identical insofar as the issues of this action are concerned. They play the same games with the same features and are believed to have essentially identical circuitry. They emanated from the same source.

The Claims Against Sears and Wards Arise Out of the Same Series of Transactions or Occurrences

Because of the identical nature of the infringing apparatus sold by Wards and Sears and their common source, the right to relief asserted by plaintiffs against them arise out of the same "series of transactions or occurrences". That series, of course, is the successive sales by Wards and Sears of the same infringing games. The added presence of the common question of validity and infringement of the patent in suit is enough to completely fulfill the requirements of Rule 20(a), F.R.Civ.P., for permissive joinder.

Aktiengesellschaft v. Sonotone, 370 F.Supp. 970 (N.D.III. 1973), simply does not support its position. The holding there was based on a specific finding that the allegedly infringing structures of the different defendants "are independently designed and manufactured and in competition with each other." 370 F.Supp., 973. That is not the case here where identicial goods emanate from a common source. Thus, Fairchild has failed to demonstrate that Sears should be severed.

The purpose behind the permissive joinder provisions of Rule 20 is to promote the judicial economy inherent when multiple claims can be heard together. The Supreme Court has stated one of the purposes of the Federal Rules as follows:

"Under the Rules, the impulse is toward entertaining the broadest possible scope of action consistent with fairness to the parties; joinder of claims, parties and remedies is strongly encouraged." Mine Workers v. Gibbs, 383 U.S. 715, 724 (1966).

The policy behind Rule 20 in particular has been similarly stated:

"The purpose of the rule is to promote trial convenience and expedite the final determination of disputes, thereby preventing multiple law suits. * * * Single trials generally tend to lessen the delay, expense and inconvenience to all concerned." Mosely v. General Motors Corp., 497 F.2d 1330, 1332 (8th Cir. 1974).

"The purpose of this rule was not to lay a subtle snare for the unwary pleader, but rather to avoid multiple lawsuits involving similar or identical issues, except where a showing of oppression, prejudice or delay is made." Goodman v. H. Hentz & Co., 265 F.Supp. 440, 443 (N.D.Ill. 1967).

The application of that policy to the "transaction" or "occurrence" test of Rule 20 results in a liberal interpretation thereof.

"[A]11 'logically related' events entitling a person to institute a legal action against another generally are regarded as comprising a transaction or occurrence. * * * The analogous interpretation of the terms used in Rule 20 would permit all reasonably related claims for relief by or against different parties to be tried in a single proceeding. Absolute identity of all events is unnecessary." Mosley v. General Motors, supra, 1333.

Claims for infringement of the same patent are sufficiently "reasonably related" to permit joinder. Infringement claims against two parties selling practically identical accused devices procured from the same source are even more intimately related.

It is apparent, of course, that the second test required for permissive joinder under Rule 20 is also met, the existence of common question of law or fact. The same questions of the validity of plaintiffs' patent have been raised by the pleadings of all the defendants in this case.

Severance Would Have No Practical Consequence

Even if the claim against Sears was severed, it would make little difference to the prosecution of this action as the severed claim would certainly be consolidated with the claims against Fairchild and Wards for both discovery and trial.

First, the severed Sears claim would be assigned to the same judge hearing the Fairchild and Wards claims. General Rule 2.21 of this Court provides for assignment of "related cases" to the same judge and Rule 2.31(E)(iii) provides that civil actions involving the infringement or validity of the same patent are to be deemed related. Section A of that rule specifically contemplates consolidation of related cases.

Second, consolidation of infringement suits based on the same patent although against different defendants is the accepted and well justified practice in this district.

Briggs v. M & J Diesel Locomotive Filter Corp., 228 F.Supp.

26 (N.D.III. 1964); American Photocopy Equip. Co. v. Fair (Inc.),

35 F.R.D. 236 (N.D.III. 1963); National Nut Co. of Calif. v.

SuSu Nut Co., 61 F.Supp. 86 (N.D.III. 1945). As mentioned in plaintiffs' memorandum opposing Fairchild's motion to transfer being filed herewith, four previously filed

infringement actions on the same patent as is here in suit were consolidated for both discovery and trial. Consolidation under Rule 42(a) requires only the existence of "a common question of law or fact", and such questions would obviously be present here.

Fairchild Has Not Shown Prejudice to It

The only attempt Fairchild has made to show prejudice or delay is at page 4 of the memorandum in support of its motion. Fairchild contends:

". . . Fairchild and Sears have different counsel, and undoubtedly will have different pleading, different discovery, different defenses, different counterclaims, different experts, different legal issues and authority, and different trial presentations."

Why would any of these factors necessarily result in prejudice or delay to Fairchild? As to the "different counterclaims", both Sears and Fairchild have now filed their answers to the complaint, and neither includes any counterclaims. Surely there may be differences between the defendants' cases, but this without a further showing does not lead to the conclusion of prejudice.

Additionally, if during the proceedings in this case it develops that substantial prejudice to any party

will be caused by the joinder of Sears, severance can then occur or separate trials under Rule 42(b), F.R.Civ.P., can be had. "It must be assumed that the trial judge will see to it that the trial will be conducted in a manner not prejudicial to the parties . . . " American Photocopy Equip. Co. v. Fair (Inc.), supra, 35 F.R.D. 237.

CONCLUSION

Fairchild's motion to sever should be denied.

Dated: March 2, 1979

Theodore W. Anderson, Esq.
James T. Williams, Esq.
Attorneys for Plaintiffs
The Magnavox Company and
Sanders Associates, Inc.

Neuman, Williams, Anderson & Olson 77 West Washington Street Chicago, Illinois 60602 (312) 346-1200

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

THE MAGNAVOX COMPANY, a Corporation, and SANDERS ASSOCIATES, INC., a Corporation,)	
Plaintiffs,)	
v.)	Civil Action No. 78 C 5041
FAIRCHILD CAMERA AND INSTRUMENT CORPORATION, a Corporation, MONTGOMERY WARD & CO., INCORPORATED, a Corporation, and SEARS, ROEBUCK AND CO., a Corporation,))))	
Defendants.)	

AFFIDAVIT OF JAMES T. WILLIAMS

STATE OF ILLINOIS)
COUNTY OF C O O K)

I, James T. Williams, do depose and say as follows:

- 1. I am an attorney admitted to practice before the United States District Court for the Northern District of Illinois and am one of the counsel representing plaintiffs in the above-headed action.
- 2. I have personally seen at the store of Montgomery Ward & Co. at 140 South State Street, Chicago, Illinois television games offered for sale which games bear the marks

of APF Electronics, Inc. Those games have included the APF Model 401E and Model 402. Attached hereto as "Exhibit 1" is a copy of a brochure of APF Electronics, Inc. for its Model 401 television game. Attached hereto as "Exhibit 2" is a copy of a portion of a brochure of APF Electronics, Inc. for its Model 402 television games and others.

- 3. Attached hereto as "Exhibit 3" are true and correct copies of the front and back covers of the "Christmas 1978" catalog of Montgomery Ward and Co. offering for sale an APF television game which I believe is the APF Model 402.
- 4. Attached hereto as "Exhibit 4" are true and correct copies of the front cover and page 7 of the "Wish Book for the 1977 Christmas Season" catalog of Sears Roebuck & Co. offering for sale a television game under the name "Hockey-Tennis II". Attached hereto as "Exhibit 5" are true and correct copies of the front cover and page 613 of the "Wish Book for the 1978 Holiday Season" catalog of Sears Roebuck & Co. offering for sale a television game under the name Hockey-Tennis III.
- 5. Deposition testimony in another action in this Court, The Magnavox Company and Sanders Associates, Inc.
 v. Universal Research Laboratories, Inc., et al., Civil Action No. 77 C 3159, has established that APF Electronics Inc. has sold television games to Sears Roebuck, Inc.
 Copies of pages 1 and 89-95 of the deposition of Martin Lipper, Treasurer of APF Electronics, Inc., are attached hereto as "Exhibit 6".

I am generally familiar with the electronic circuitry of television games of the type referred to in paragraphs 2-4 above. I believe that, for the purposes of this action, the games referred to in paragraphs 2-4 above can be considered as substantially identical in all material respects for the purposes of this action, and, in particular, the electronic circuitry of the APF Model 401 and the Hockey-Tennis II are substantially identical in all material respects for the purposes of this action and the electronic circuitry of the APF Model 402 and the Hockey-Tennis III are substantially identical in all material respects for the purposes of this action. The exhibits hereto show that each of the referenced games are capable of playing games of the ping-pong and hockey types and have similar features.

James T. Williams Esq.

SUBSCRIBED AND SWORN TO BEFORE ME THIS 2ND DAY OF MARCH, 1979.

Notary Public

My Commission Expires:

11-8-82

tronics inc.

Lipper Dep. Ex. 2, id.
introducing ty fun game

model 401

Four different games— tennis, hockey, squash, and single handball.

Professional/Amateur selection of ball speed, bat size, and reflection angle.

A.C. Adaptor socket for optional battery eliminator



Realistic sound — three different tones for score, hit, and boundary reflection.



Features and Specifications

PF T.V. FUN® installs in minutes to the antenna put of any size T.V. — black and white, or color. witch Box allows you to play T.V. FUN or switch to gular T.V.

types of games can be played - Tennis/ able Tennis or Hockey / Football or Squash or ingles Handball.

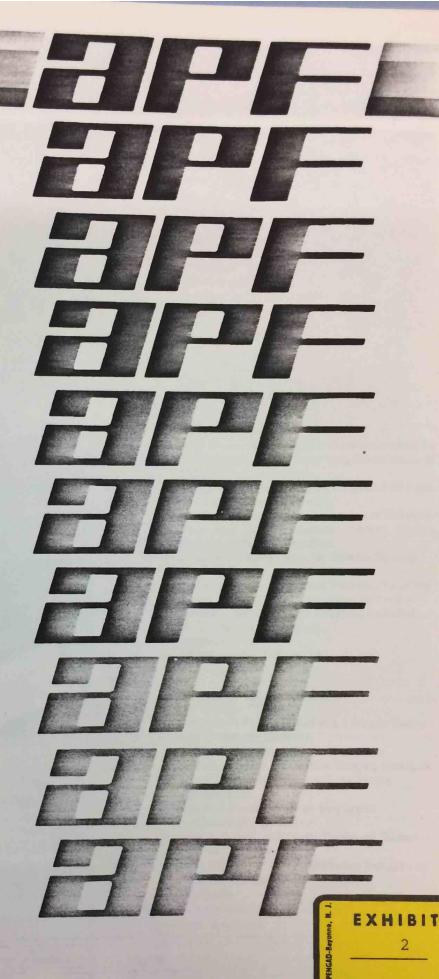
esigned to be played by people of all ages nd skills — user can select:

- Bat (player) size Speed of ball
- Angles of deflection

- Automatic on screen scoring, up to 15 points
- Action sound 3 different sounds occur for a "HIT", "SCORE" and "BOUNDARY REFLECTION".
- Net and boundary lines displayed electronically on screen
- Handsome furniture styled player console 1 or 2 players
- Operated on 6 "c" cell batteries (not included) or Optional Battery Eliminator Size: 16" (W) \times 7.5" (D) \times 3.5" (H)
- Weight: 3 lbs.

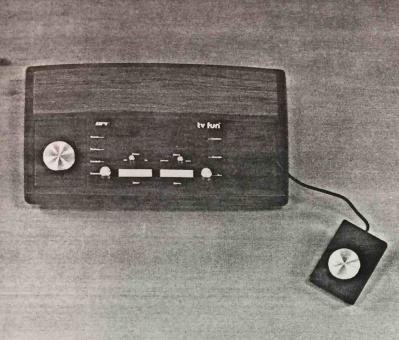
ECTRONICS INCORPORATED, 444 Madison Avenue, New York, N.Y. 10022 (212)758-7550

per Dep. Ex. 1 id.
11/29/19
7. P.



LECTRONIC PRODUCTS

F ELECTRONICS INC., 444 MADISON AVENUE, NEW YORK, N.Y. 10022 (212) 758-7550



MODEL 405

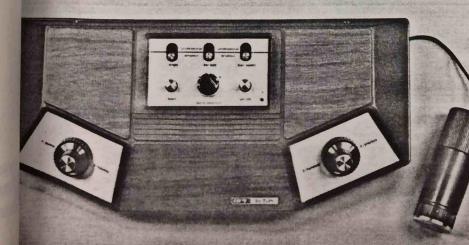
- •• APF TV FUN 405 Plays 4 Different Games Tennis/Tabletennis, or Hockey/ Football, Squash or Singles Handball
- .. Three Degrees of Difficulty can be Selected Amateur, Average and Professional
- .. On Screen Scoring
- .. Automatic or Manual Serve
- .. Handsome Furniture Styled Player Console with Remote Controls for 1 or 2 Players
- .. Operates on 6 'C' cell Batteries or A/C Adaptor (optional)
- .. Wt. 3 Lbs.
- •• Dimensions: L 12" x H 2" x W 6" Pending FCC Approval

MODEL 442

- .. APF Model 442 TV FUN Installs in Minutes To The Antenna Input of Any Size Black/White or Color TV
- Designed To Be Played By People of All Ages and Skills. User Can Select:
- Bat Size—Speed of Ball—Angles of Deflection
 •• Plays Four Types of Games—Tennis, Hockey, Squash or Singles Handball
- Automatic Digital Type, on Screen Scoring Up to 15 Points
- Action Sound—3 Different Sounds Occur For A "Hit," "Score" and "Boundary Reflection"
 Operates on 6 "C" cells Batteries Included
- or A/C Adaptor (optional)
- .. Wt. 3 Lbs.
- •• Dimensions: L 16" x H 31/2" x W 71/2"
- FCC Approved

MODEL 444

- .. APF TV FUN Model 444 is a 4 Player Game with 2 Remote Controls
- 4 Play Fields with 8 Game Variations Tennis, Hockey, Squash or Singles Handball
- .. Black and White Bats For Easy Player Identification
- Net and Boundary Lines Displayed Electronically on Screen
- .. Action Sound, Automatic Digital on Screen Scoring Up to 15 Points
- Operates on 6 "C" cell Batteries Included or optional A/C Adaptor
- . Wt. 3 Lbs.
- Dimensions: L 16" x H 3½" x W 7½"
- FCC Approved



TV FUN™ GAMES



MODEL 402

TV FUN 402 is designed for the whole family. It features a selection of 8 different action games in color—Tennis (singles), Tennis (doubles), Hockey (two player), Hockey (four player), Doubles Handball, Singles Handball, Skeet Shoot and Target Shoot with pistol.

- .. Automatic or Manual Serve
- .. Action Sounds—3 different sounds occur for a "Hit" "Score" and "Boundary Reflection"
- •• Digital on Screen Scoring
- Color Playfield and Players for Tennis, Hockey and Handball
- . Wt. 3 Lbs.
- •• Dimensions: L 16" x H 31/2" x W 71/2"
- .. FCC Approved

EXCITING SPORTS GAMES



Handball (Singles)



Handball (Doubles)



Tennis (Two Player) (Four Player)



Tennis



Hockey (Two Player)



Hockey (Four Player)



Target Shoot (W/Pistol)

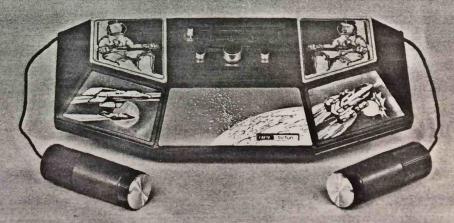


Skeet Shoot (W/Pistol)

DEL 500

ace War, Space Phasor, Phantom r. Phantom Phasor ded and Direct Missiles w and Fast moving Asteroids oring and Non-scoring Asteroids Intom Rocket Ships or Fields, Rockets and Asteroids color T.V. nplex exploding sound and color nge when a hit is made tal on Screen Scoring rates on A/C or Batteriesincluded ensions: L 16" x H 31/2" x W 71/2" ding FCC Approval

Different Space Games including



20 EXCITING SPACE BATTLE GAMES

CHRISTMAS 1978

EXHIBIT

INDEX 296

nightwear 154, 155,

clock 198, chair 1086, Fall Big Book, credit 292

SATISFACTION CUARANTEED



1	UNITED STATES DISTRICT COURT		
2	NORTHERN DISTRICT OF ILLINOIS		
3	FASTERN DIVISION		
4	x		
5	THE MAGNAVOX COMPANY and :		
6	SANDERS ASSOCIATES, INC.,		
7	Plaintiffs, : 77 C 3159		
8	vs.		
9	APF ELECTRONICS, INC., et al,		
10	Defendants. :		
11			
12	Deposition of defendant APF CLECTRONICS,		
13	INC., by MARTIN LIPPER, taken by plaintiffs,		
14	pursuant to notice dated November 16, 1977,		
15	and held at the offices of Blum Moscovitz		
16	Friedman & Kaplan, Esqs., 730 Third Avenue,		
17	New York, N. Y., on November 29, 1977, at		
18	10:00 a.m., before Florence E. Parrella, a		
19	Certified Shorthand Reporter and Notary Pub-		
20	lic of the State of New York.		
21			
22			
23			
24	EXHIBIT		
25	£ 6		

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fpmf

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to Sears? .

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Chicago?

Chicago?

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- Α Well, calculators.
- Ω No, on TV games.
- No, Mr. Quinn is the buyer for TV games. Α
- When did Mr. Hirsch first call on Mr. Q

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MR. ANDERSON: Well, Mr. Kaplan, I would like to see any correspondence that has transpired between Sears and anyone on behalf of APF with respect to the questions of sales or sales of TV games to

Sears.

MR. KAPLAN: I don't see how that is relevant on the issues in this proceeding.

MR. ANDERSON: I think I am entitled to see them, whether they are relevant or may lead to admissible evidence on the issues of venue, I think very clearly we established without question infringing acts of APF in Illinois and a very substantial amount of activity in Illinois.

Now we are narrowing down on the issue of exactly what that activity was, who was responsible for it, and the relationship between Hirsch and Salky and APF, and I think we are entitled to it.

MR. KAPLAN: I don't think it is relevant, but in the interests of expediting this thing, to the extent it does not disclose confidential information, we will make this available to you.

MR. ANDERSON: All right, I will add that. For the time being certainly, as Mr. Lipper apparently did on these documents, I don't object to the deletion of the number of units or the dollars involved.

MR. KAPLAN: That is what I am primarily concerned about.

MR. ANDERSON: I would like to limit

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expurgation to that, if at all possible.

MR. KAPLAN: Thus limited

MR. KAPLAN: Thus limited, we will comply.

Q It is my understanding, Mr. Lipper, you never personally called on anyone at Sears with respect to the sale of TV games to Sears; is that correct?

A That is correct.

Q Do you know whether or not there was at any time a discussion between Mr. Quinn or any representative of Sears with one of the Hirsches or anyone from APF with respect to the patent indemnity clause which appears under the heading "Indemnity" on the back side of the Sears contract as shown in Exhibit 4-C?

A I wouldn't know.

Ω Do you know whether there was ever any discussion of patents or patent rights with anyone at Sears?

A No, I wouldn't know that.

Q On Exhibit 4-A there is reference to Hockey

Jokari. What is Hockey Jokari, if you know?

A That is one of our regular models, Sears label.

Q And which of your regular models is that?

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Q And under his signature is typed "APF Electronics USA agent." Agent for whom is that?

to be Howard Boilen, is that correct?

That is correct.

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- P.

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A APF.

That was a direct shipment from the Orient to Sears.

- O From the Orient to Sears?
- A Yes.
- Q Are TV games direct shipped from the Orient to Sears also?
 - A No.
 - Q How are TV games handled?
- A It is possible at times we could direct ship from the Orient.
- Q With respect to TV games how are they handled?
- A I am just answering you. It is possible some of them were direct shipped from the Orient.

 Otherwise they go into our warehouse and they are shipped out against orders received from the individual stores.
- Ω And when you receive orders from the individual stores, are the games shipped directly to the individual stores?
- A They are shipped FOB our warehouse to the Sears consolidator.
 - Q And is that either the warehouse in Los

CERTIFICATE OF SERVICE

It is hereby certified that the foregoing PLAINTIFFS' MEMORANDUM IN OPPOSITION TO MOTION TO SEVER SEARS and AFFIDAVIT OF JAMES T. WILLIAMS was served by hand delivering same to:

Cook, Wetzel & Egan, Ltd.
135 South La Salle Street
Chicago, Illinois 60603
Attorneys for Fairchild Camera and Instrument Corporation
and by mailing a copy thereof as first class mail, postage
prepaid to:

Alan W. Brothers, Esq.
One Montgomery Ward Plaza
Chicago, Illinois 60671
Attorneys for Montgomery Ward & Co., Inc.

and

George H. Gerstman, Esq.
Pigott & Gerstman, Ltd.
105 West Adams Street
Chicago, Illinois 60603
Attorneys for Sears Roebuck and Co.

Granger Cook, Jr., Esq.

all on this 2nd day of March, 1979.

James T. Williams, Esq.